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Councilmember Carol Fukunaga
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Councilmember Joey Manahan
City Auditor Annual Evaluation
Ad Hoc Committee

April 28, 2016

TO: Honorable Ernest Martin, Chair & Presiding Officer
Honolulu City Council

FROM: Councilmember Carol Fukunaga
Councilmember Ann Kobayashi
Councilmember Joey Manahan

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Re: Annual Evaluation of the City Auditor

Pursuant to Section 3-502.4 of the Revised Charter of Honolulu 1973, as amended, the Council is required to annually evaluate the City Auditor's performances. On April 20, 2016, the Council adopted Resolution 16-79, Authorizing Councilmembers to Investigate the Matter of the Annual Evaluation of the City Auditor, which established an ad hoc committee consisting of Councilmembers Ann Kobayashi, Carol Fukunaga, and Joey Manahan to investigate fulfillment of the Charter requirement for an annual evaluation of the performance of the City Auditor.

On April 27, 2016, the Committee met to discuss and review the City Auditor's performance including the areas of charter compliance, relevance and usefulness of audits to the Council, and the effectiveness of the audits.

The Committee reviewed the Auditor's publications and performances for the past fiscal year. These performances included the following:

- Audit of the Honolulu Authority For Rapid Transportation (HART) – the audit was requested by the Honolulu City Council under Resolution 15-90. The objectives of this audit were to determine the adequacy of HART's processes to ensure that the rail project is constructed and completed economically, effectively and efficiently.
- Audit of the City's Paratransit Service – the audit was conducted pursuant to Council Resolution 14-69, FD1, requesting the auditor to examine a number of issues, including those raised in the *August 2010 Short Range Transit Plan Existing Conditions Report*.

- Audit of the Department of Environmental Services' H-POWER Contracts and Procurement Practices – the audit was conducted pursuant to Council Resolution 12-150, CD1, requesting the City Auditor to examine the department's contracts, including its procurement practices to ensure that it is operating efficiently, effectively and in compliance with all applicable laws and policies.
- Audit of the Funds Appropriated for Bicycle Projects – the audit was conducted pursuant to Council Resolution 10-297 to examine the funds appropriated for bicycle projects. The objective was to determine why bike funding lapsed at such a high rate and received low priority.
- Audit of Select Management and Operational Practices at the Board of Water Supply (BWS) – the audit was conducted pursuant to Council Resolution 13-201, FD1, requesting the City Auditor to conduct a comprehensive performance and management audit of the Board of Water Supply. The audit objectives were to determine if BWS could improve its operational efficiency, effectiveness, and reduce costs by (1) improving its management policies and/or procedures; (2) improving customer service, especially by decreasing call wait times; and (3) improving transparency through better communication with the public and the city council. The audit also determined if the BWS rate structure was fair to its customers by comparing BWS rates, water costs and operational costs with similar jurisdictions across the nation.
- The annual report of the Office of the City Auditor summarizing reports completed in FY 2014 – 2015, plus completed audits in FY 2015-16.

The Committee noted that the office again received a number of awards and commendations. The Honolulu City Council recognized Office of the City Auditor intern Shena Bocalbos with an honorary certificate for winning the 2013-2014 Association of Government Accountant's Finance Case Challenge National Championship; the office also was the 2015 Transformation in Safety Winner from the International City/County Management Association (ICMA) and National Research Center, Inc.; and in 2016, City Auditor Edwin Young received the Association of Government Accountants' Distinguished Local Government Leadership Award.

In its investigation of the Office of the City Auditor's performance during the past year, the Committee concluded that the Office is performing an excellent public service under its mandate while continuing to receive local and national recognition for its work. The committee unanimously agreed that the Office is further providing a valuable service to the Council by addressing issues to better serve the residents and businesses of the City and County of Honolulu. The Committee also wanted to thank the Office for their service and commitment to the people they serve.

cc: Office of the City Auditor
All Councilmember